

Exhibit D



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FILE COPY

September 4, 2007

By Hand

Joann Goodson
Seizure/Forfeiture Specialist
U.S. Department of Justice
United States Marshal
Southern District of New York
500 Pearl Street, Suite 400
New York, New York 10007

Re: Dorothy Anderson McCarthy v. The Republic of Cuba
05 Civ. 7214 & M-18-302-36 (VM)

Dear Ms. Goodson:

As you are aware, we represent garnishee AT&T Corp. ("AT&T"). On December 21, 2006, AT&T was served with a Writ of Execution dated December 19, 2006 ("Writ of Execution") issued and extended by the Court in the above-captioned matters concerning the property of defendant The Republic of Cuba, any of its "agencies or instrumentalities," and Empresa Nacional de Telecomunicaciones Internacionales de Cuba. In response to the Writ of Execution and your letter dated December 20, 2006, and pursuant to Rule 69 of the Federal Rules of Civil Procedure and Article 52 of the New York Civil Practice Law and Rules ("CPLR"), AT&T hereby states that its records reflect that AT&T's wholly-owned subsidiary, Cuban American Telephone and Telegraph Company ("CATT"), has accrued a tax liability to The Republic of Cuba in the total approximate amount of \$14,473.96 for Cuban income taxes that have accrued through June 30, 2007 on the accumulated gross interest income attributable to certain funds contained in two blocked accounts at JPMorgan Chase Bank, N.A., New York, New York. These accounts, denominated the "AT&T Long Lines Account," Account Number G00875 (the "AT&T Long Lines Account"), and the "Florida Land Sale Account," Account Number G00882 (the "Land Sale Account"), contain funds deposited by AT&T which are due and owing from AT&T solely to CATT, and are blocked pursuant to the Cuban Assets Control Regulations, 31 C.F.R. §§ 515.101 et seq. AT&T has booked CATT's liability for the income taxes due from CATT to The Republic of Cuba against CATT's funds contained in the blocked AT&T Long Lines and Land Sale Accounts.

AT&T further states that its records reflect that at some point in the past, AT&T included in a financial journal an entry for an accrued liability for telecommunications settlement



Joann Goodson, Seizure/Forfeiture Specialist
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payments potentially due from AT&T to Empresa de Telecomunicaciones Internacionales de Cuba ("EmtelCuba") for the period October 1992 to October 1994, and that this accrued potential liability totaled approximately \$1,334,000.00 (the "Accrued Liability"). AT&T recently discovered that the Accrued Liability was written off AT&T's books. After an investigation into this matter, AT&T has been unable to determine when or why the Accrued Liability was written off. In any event, AT&T has a claim against EmtelCuba in the amount of \$1,541,604.40, which remains unpaid, for AT&T EasyLink telex and telegraph messaging services provided by AT&T to EmtelCuba. By this statement, and pursuant to CPLR § 5239 and applicable law, AT&T asserts its right to set-off amounts due from EmtelCuba to AT&T for AT&T EasyLink messaging services against the Accrued Liability.

By this letter, AT&T also gives notice that it intends to rely upon any other defense that may become available or appear during any further proceedings in this matter and hereby reserves its right to assert any such defense.

Please do not hesitate to contact me at 212-839-5938 should you have any questions or require additional information.

Very truly yours,

A handwritten signature in black ink, appearing to read "Lynn A. Dummett".

Lynn A. Dummett

LAD/smd

cc: **Via Overnight Delivery**

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Attorneys for Plaintiff

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AT&T Corp.